

Disciplinary and Other FINRA Actions

Firms Fined, Individuals Sanctioned

Glendale Securities, Inc. (CRD® #123649, Sherman Oaks, California) and Albert Raymond Laubenstein (CRD #303462, Rancho Palos Verdes, California)

November 8, 2021 – A National Adjudicatory Council (NAC) decision became final in which the firm was censured, fined \$155,000, of which \$30,000 is to be paid jointly and severally, and ordered to retain a consultant to review and revise its anti-money laundering (AML) related procedures to appropriately tailor them to its microcap stock liquidation business model. Laubenstein is fined \$25,000, suspended from association with any FINRA® member in all capacities for 18 months and suspended from association with any FINRA member in all capacities for 15 business days. The suspensions are to run consecutively. In addition, the decision shall serve as a Letter of Caution for the violations related to the firm and Laubenstein's relationship with a bank based in Belize. The NAC affirmed the findings and modified the sanctions imposed by the Office of Hearing Officers (OHO). The sanctions were based on findings that the firm and Laubenstein failed to establish and implement reasonable AML policies and procedures and failed to detect, investigate and report, where appropriate, suspicious activity. The findings stated that the firm and Laubenstein did not adequately investigate liquidations of stocks by firm customers. Significantly, despite numerous red flags, Laubenstein, firm's AML compliance officer (AMLCO), did no investigation for promotional activity while customers were trading and realizing substantial gains. The failures to investigate with respect to these liquidations lasted for almost a year and involved numerous customers and millions of dollars of liquidation transactions. The firm's and Laubenstein's AML deficiencies allowed misconduct to occur that affected market integrity and transparency, and the investing public. The findings also stated that the firm and Laubenstein failed to comply with the firm's customer identification program (CIP) to verify the identities of a registered representative's customers. The representative testified that he dealt primarily with a customer representative and his assistant when he opened the accounts for other customers. The customer representative and his assistant provided the documents used to verify the customers' identities. The registered representative did not meet the customers in person and communicated by email with only a few of them. These facts, along with the other red flags associated with that stock, presented a risk that the firm could not verify the customers' identities with documentary means alone and, accordingly, the firm's CIP required the use of non-documentary means of identification. Laubenstein, who was primarily responsible for implementing the

Reported for January 2022

FINRA has taken disciplinary actions against the following firms and individuals for violations of FINRA rules; federal securities laws, rules and regulations; and the rules of the Municipal Securities Rulemaking Board (MSRB).

firm's CIP as part of its AML program, did not require non-documentary means of identification for these customers. The findings also included that the firm and Laubenstein failed to conduct adequate due diligence on a bank and the customers it introduced. The firm and Laubenstein failed to perform the required risk-based due diligence on the accounts opened through the bank. Rather than conduct their own due diligence on the accounts introduced by the bank, the firm and Laubenstein relied on the bank ensuring AML compliance for these customers, including fulfilling the CIP obligations with respect to the accounts opened for undisclosed customers. FINRA also found that the firm and Laubenstein failed to reasonably supervise a registered representative. Laubenstein approved the account opening documents and deposits for the registered representative's Asia-based customers and was responsible for reviewing the representative's email. Laubenstein did not ask the representative about how he communicated with the customers, including whether the customers understood the representative's written communications. While Laubenstein knew the representative had translated portions of the firm's account opening documents for the customers, he took no steps to ensure the accuracy of these translations and asked no questions about whether the customers understood the portions of the documents the representative did not translate. In his review of the representative's emails, Laubenstein conducted word searches in English. Laubenstein's searches were ineffective to identify red flags in the representative's communications with the customers. The allegations that the firm engaged in market manipulation, in violation of Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 thereunder and FINRA Rules 2020 and 2010 are dismissed. The allegations that the firm violated FINRA Rule 2010 by participating in the sale of restricted securities in contravention of Section 5 of the Securities Act of 1933 also are dismissed.

The suspensions are in effect from December 6, 2021, through June 28, 2023. ([FINRA Case #2016049565901](#))

Newbridge Securities Corporation ([CRD #104065](#), Boca Raton, Florida) and Bruce Howard Jordan ([CRD #1223556](#), Boca Raton, Florida)

November 12, 2021 – A Letter of Acceptance, Waiver and Consent (AWC) was issued in which the firm was censured and fined \$30,000 and Jordan was fined \$5,000 and suspended from association with any FINRA member in any principal capacity for one month. Without admitting or denying the findings, the firm and Jordan consented to the sanctions and to the entry of findings that the firm failed to comply with escrow requirements, the firm's supervisory system was not reasonably designed and the firm and Jordan failed to enforce the firm's written procedures governing contingency offerings. The findings stated that the firm acted as the placement agent for a contingency offering on behalf of an issuer. The firm's written procedures specified that in contingency offerings, the firm would use a bank

that had agreed in writing to hold all such funds in escrow and assigned specific responsibility to Jordan, the managing director of investment banking. However, for one offering, the firm and Jordan failed to deposit investor funds with a bank. Instead, the offering utilized a law firm as the escrow agent. Moreover, the firm and Jordan failed to use the standard escrow agreement required as specified in the firm's procedures. The findings also stated that the firm improperly counted a non-bona fide investment toward the minimum contingency calculation, the firm's supervisory system was not reasonably designed and the firm and Jordan failed to enforce relevant procedures. Without the non-bona fide investment, the minimum contingency would not have been met. The firm's written procedures for contingency offerings specified that only bona fide investments should be counted toward an offering minimum but provided no guidance as to what constituted a bona fide investment. Jordan was assigned responsibility to determine whether an investment was bona fide. The firm, acting through Jordan, failed to review the investment to determine whether it should be considered a bona fide investment. Instead, after receiving the investment, the firm and Jordan declared the offering sold and released funds from escrow. As a result, the firm willfully violated Rule 10b-9 of the Securities Exchange Act and FINRA Rule 2010. The findings also included that the firm failed to return investor funds when minimum contingency was not met by the termination date in the offering documents, the firm's supervisory system was not reasonably designed and the firm and Jordan failed to enforce the firm's relevant procedures. In a second contingency offering, the issuer offering memorandum required a certain amount of the securities to be sold by a particular date for the offering to close. The offering memorandum also provided that if the minimum was not subscribed by the termination date, then all funds would be returned to investors and all subscription documents deemed rejected. The firm's written procedures for contingency offerings specified that if the minimum contingency is not sold within the deadline specified by the offering documents, all funds should be promptly returned to investors. The firm's written procedures failed to address circumstances where an issuer sought to extend the deadline for the minimum contingency through written confirmation by the investors, nor did it provide any guidance for the process of obtaining such written confirmation. The firm's written procedures assigned specific responsibility for determining whether the minimum contingency had been met to Jordan. The minimum for the second offering was not met by the closing date, and the firm and the issuer agreed to extend the closing date. The firm and Jordan, however, did not send written reconfirmation offers to the investors disclosing the extension of the offering period prior to the original closing date. Instead, investors were provided with a supplement notifying them of the extension and instructing them to contact the firm if they did not wish to participate in the offering. No investor funds were returned, and no investors confirmed in writing their decision to continue their investments. The minimum was subsequently met by the extended closing date,

and the firm, acting through Jordan, released the funds from escrow to the issuer of the second offering. Therefore, the firm willfully violated Rule 10b-9 of the Securities Exchange Act and FINRA Rule 2010.

The suspension was in effect from December 6, 2021, through January 5, 2022.
[\(FINRA Case #2019063371901\)](#)

WestPark Capital, Inc. ([CRD #39914](#), Los Angeles, California) and Richard Alyn Rappaport ([CRD #1885122](#), Los Angeles, California)

November 22, 2021 – An AWC was issued in which the firm was censured, fined \$250,000, ordered to offer rescission to customers who invested in notes of the firm's parent company and have not yet been repaid the full amount of their outstanding principal investment that totaled \$1,777,316, required to review and revise, as necessary, its policies, procedures, processes, controls and systems concerning FINRA Rule 3170, and required to extend the time during which it will comply with the requirements of FINRA Rule 3170 for an additional six months. Rappaport was fined \$30,000, suspended from associating with any FINRA member in all capacities for four months and suspended from associating with any FINRA in any principal capacity for 15 months. The suspensions are to run concurrently. Without admitting or denying the findings, the firm and Rappaport consented to the sanctions and to the entry of findings that they made negligent misrepresentations and omissions of material facts in offering documents provided to customers in connection with the sale of promissory notes issued by the firm's parent company. The findings stated that the offering documents failed to disclose that the parent company had defaulted on a \$1 million line of credit and had defaulted on successive forbearance agreements with a bank, or that the bank had sued the parent company and Rappaport. Similarly, the offering documents failed to disclose that the parent company had net operating losses each year from 2012 through 2016. In addition, the firm sent prospective investors a misleading historical analysis document, created by Rappaport, that claimed to show investors what they would have received as a return on the notes if the notes had been purchased in 2006 and held through 2010. In fact, the return displayed did not explain that the calculation was based upon hypothetical returns from distinct investments and not any actual return from the notes. The firm, through Rappaport and other firm representatives, also represented to prospective investors that they would be entitled to share in pro-rata distributions of equity and profits from the firm. In fact, the noteholders were entitled to share in pro-rata distributions of equity and profits from the parent company, not the firm, which at times had higher profits and greater equity-producing opportunities than the parent company. Moreover, the firm, through Rappaport and other firm representatives, failed to disclose material conflicts of interest. The firm and Rappaport failed to disclose to prospective investors that

Rappaport had sole discretion as to whether the parent company's subsidiaries would make distributions to the parent. By virtue of the foregoing, the firm acted in contravention of Sections 17(a)(2) and (3) of the Securities Act of 1933. The findings also stated that the firm and Rappaport failed to supervise the parent company offerings. The firm, acting through Rappaport, failed to take reasonable steps to ensure that firm representatives who solicited investments in the notes understood the terms of the notes. The firm and Rappaport did not provide reasonable training to registered representatives about the notes and did not respond reasonably to questions from customers that raised red flags that customers lacked accurate information about the notes. The findings also included that the firm violated FINRA Rule 3170 (the "Taping Rule"). The firm's recording system allowed representatives, at their discretion, to end recording at any time, including before a call was complete. The firm became aware that a representative who sold the parent company offerings terminated at least three recordings before the calls were completed, including a recording of a call with a noteholder, yet the firm did not take any action to ensure that the representative at issue, or other firm representatives, recorded future calls in their entirety. In addition, the firm's special written procedures concerning the Taping Rule were not reasonably designed. The special written procedures for supervisory review of calls provided no meaningful guidance regarding the review process, frequency of review, or methods of escalating information identified during review. The firm also failed to enforce the provision in its special written procedures requiring the firm to test its taping system to ensure that recordings were properly made and retained. As a result, the firm failed to detect that recordings were deleted prematurely.

The suspension in all capacities is in effect from December 20, 2021, through April 19, 2022, and the suspension in any principal capacity is in effect from December 20, 2021, through March 19, 2023. ([FINRA Case #2017054381603](#))

Firm Sanctioned, Individual Sanctioned

Traderfield Securities, Inc. ([CRD #20130](#), Flushing, New York) and Mario Divita ([CRD #1504199](#), Staten Island, New York)

November 24, 2021 – An AWC was issued in which the firm was censured, ordered to pay \$300,000 in partial restitution to customers, and required to review and revise, as necessary, its supervisory system and written supervisory procedures (WSPs) regarding excessive trading and reporting of complaints. Divita was fined \$5,000, suspended from association with any FINRA member in any principal capacity for three months and ordered to attend and satisfactorily complete 24 hours of continuing education concerning supervisory responsibilities. FINRA imposed no fine against the firm in this case, and agreed to partial restitution after it considered,

among other things, the firm's revenues and financial resources. Without admitting or denying the findings, the firm and Divita consented to the sanctions and to the entry of findings that the firm failed to establish, maintain and enforce a supervisory system, including WSPs, reasonably designed to identify and prevent excessive trading. The findings stated that the WSPs tasked supervisors with reviewing trade blotters, account statements, exception reports and commission reports to monitor for excessive trading, but did not explain how to identify such trading or how supervisors should respond to such trading. In addition, the firm's supervisors did not review exception reports, as required by the WSPs, in the exercise of their supervisory obligations. The findings also stated that the firm and Divita failed to reasonably supervise a registered representative who recommended excessive trading in customer accounts. The firm's WSPs did not designate a supervisor for the representative, and no supervisor was reviewing the representative's trading activity for excessive trading. Ultimately, Divita began directly supervising the representative; however, he did not take reasonable steps to monitor for excessive trading in the representative's customer accounts. Although Divita knew that the representative's customers were responsible for a large volume of trades at the firm, he did not review exception reports for potential excessive trading. Instead, Divita reviewed daily trade reports and simply focused on trading volume. Divita failed to monitor the losses in the customer accounts, which were significant. Although Divita reviewed certain commission information, he failed to recognize the representative's high commissions as a red flag. Further, Divita did not consider costs when reviewing the representative's trading activity and did not consider, or even understand, turnover rates and cost-to-equity ratios. The firm's and Divita's failure to supervise the representative permitted his excessive trading in customer accounts to continue. The representative's trading, which was inconsistent with these customers' investment needs and objectives, caused them to be charged a total of \$451,057 in commissions and incur a total of \$538,057 in losses. The findings also included that the firm failed to report statistical and summary information to FINRA related to customer complaints about the representative's trading activity in accounts that were excessively traded. The complaints pertained to commissions charged, account losses and alleged unauthorized trading.

The suspension is in effect from December 20, 2021, through March 19, 2022. ([FINRA Case #2018059045003](#))

Firms Fined

StoneX Financial Inc. fka INTL FCStone Financial Inc. ([CRD #45993](#), Winter Park, Florida)

November 22, 2021 – An AWC was issued in which the firm was censured and fined \$60,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to fully and immediately display, route, execute, or cancel customer over-the-counter (OTC) limit orders. The findings stated that the firm operated a trading desk where traders were required to handle some order flow manually, outside of automated systems, resulting in delays in the handling of certain OTC orders. As a result, the firm failed to fully and immediately display route, execute, or cancel 77 percent of sampled customer limit orders, a number of which were cancel/replace orders. The cancel/replace orders were all of the cancel/replace orders in the sample. The findings also stated that the firm failed to reasonably supervise for cancel/replace orders not displayed immediately. Although the firm utilized exception reports to identify limit orders that were displayed more than 30 seconds after the order became eligible, the exception reports failed to capture cancel/replace orders. The findings also included that the firm failed to establish written procedures reasonably designed to achieve compliance with FINRA Rule 6460. While the firm's procedures required a supervisory review of orders for compliance with FINRA Rule 6460, its written procedures failed to provide reasonable guidance and instructions to supervisors as to how to conduct such reviews. ([FINRA Case #2018059344901](#))

McNally Financial Services Corporation ([CRD #121196](#), San Antonio, Texas)

November 23, 2021 – An AWC was issued in which the firm was censured, fined \$35,000 and required to revise its WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish, maintain and enforce a supervisory system or WSPs reasonably designed to achieve compliance with FINRA Rule 2111 (the “suitability rule”) in relation to the sale of non-traditional exchange traded products (NT-ETPs). The findings stated that the firm's supervisory system and WSPs were not reasonably tailored to address the unique features and risks associated with NT-ETPs, including the risks associated with holding them for extended periods of time. The WSPs provided no guidance regarding how supervisors should determine whether an NT-ETP was suitable for customers given the unique features and risks of those products. Moreover, the sole principal responsible for reviewing the daily trades of 25 registered representatives had no tools for identifying NT-ETPs. The firm had no alerts, exception reports, restrictions, or approval process that would have detected when NT-ETPs were purchased. The firm also had no method for monitoring the holding periods for NT-ETPs. In addition, the firm failed to enforce the WSPs it had in place. The findings also stated that the firm failed to reasonably supervise a

representative's recommendations of complex options trading. The firm was aware of red flags in the risky options trading but failed to reasonably investigate whether the trading was suitable for the customers. The firm failed to reasonably supervise the representative's activities and customer accounts to timely detect whether the representative's complex options transactions were compatible with the investment objectives of each customer. Specifically, the firm failed to recognize that the representative used the same options trading strategy for customers regardless of the customer's age, net worth and investment experience. The firm did not review the frequency of options trading recommended by the representative to determine whether the size and frequency of options transactions were suitable for each customer. The firm has since effectively banned all sales of NT-ETPs and prohibited its representatives from offering complex options trading strategies. ([FINRA Case #2018058820103](#))

Individuals Barred

Thomas Lee Johnson (CRD #1215434, Carmel, Indiana)

November 2, 2021 – Johnson appealed a NAC decision to the Securities and Exchange Commission (SEC). Johnson was barred from association with any FINRA member in all capacities. The sanction was based on the findings that Johnson converted \$1,059,544.98 from his member firm after the firm incorrectly priced sales of his holdings in a South Korean company. The findings stated that the firm incorrectly priced the sales of the South Korean securities in U.S. dollars instead of South Korean won. Because of a system error, Johnson received \$1,059,544.98 in his firm securities account from the sales, but he was entitled to less than \$1,000. After the firm's error, Johnson moved the money to a personal bank account. Johnson later returned the funds to his firm account when he saw that the firm had corrected its error and reversed the credit, causing the account to have a negative balance.

The bar is in effect pending review. ([FINRA Case #2018056848101](#))

Patrick Pierre-Louis (CRD #5465279, Jamaica, New York)

November 2, 2021 – An AWC was issued in which Pierre-Louis was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Pierre-Louis consented to the sanction and to the entry of findings that he converted approximately \$9,695 from a customer for his own personal use. The findings stated that Pierre-Louis convinced the customer to transfer \$3,000 to his personal bank account by claiming that he would invest the funds in a real estate investment away from his then member firm and that he then would pay the customer a 15 percent rate of return. Later, Pierre-Louis solicited the customer to make two additional transfers of funds to him totaling \$4,950 for the same

purported outside investment. After Pierre-Louis became associated with a new firm, the customer did not open an account at that firm. However, Pierre-Louis convinced the customer to make an additional transfer to Pierre-Louis' bank account totaling \$1,745 for the same purported outside investment. Pierre-Louis did not invest any of the customer's funds, pay her any interest or repay any of the funds to her. ([FINRA Case #2020067945101](#))

Abdul Matin Rahmani (CRD #4269583, Oceanside, New York)

November 2, 2021 – An Order Accepting Offer of Settlement was issued in which Rahmani was barred from association with any FINRA member in all capacities. Without admitting or denying the allegations, Rahmani consented to the sanction and to the entry of findings that he engaged in outside business activities (OBAs) through and on behalf of an entity that advertised its business as marketing and selling shares of pre-initial public offering (IPO) companies to investors without providing prior written notice to his member firm. The findings stated that Rahmani acted as an employee or independent contractor for the entity by soliciting prospective investors, meeting with at least one prospective investor, using an entity email account and using a debit card to withdraw funds from a bank account associated with the entity. In addition, Rahmani told the firm that he was not involved in the entity. The findings also stated that Rahmani failed to cooperate with FINRA's investigation of his undisclosed OBAs. Rahmani provided incomplete information to FINRA in response to its requests for information. Although FINRA requested that Rahmani identify all email addresses he used, as well as all bank accounts he controlled, he failed to disclose an email address that he used with an entity domain name. Rahmani also failed to disclose the existence of bank accounts that he opened at approximately the same time the entity was formed. The findings also included that Rahmani provided false or misleading information to FINRA during on-the-record testimony. Rahmani testified that he had no involvement with the entity, that he never used an email address associated with the entity--despite the fact that he had already produced to FINRA emails sent to and from his email account with an entity domain name—and that he had closed multiple bank accounts that he initially failed to disclose to FINRA. FINRA found that Rahmani also failed to provide information and documents requested by FINRA during its investigation. Following Rahmani's on-the-record testimony, FINRA requested information and documents pertaining to the bank accounts that Rahmani opened. However, Rahmani failed to provide FINRA with all the requested information or documents for two of the accounts and failed to provide any information or documents whatsoever related to the remaining accounts. ([FINRA Case #2019063626703](#))

James Alan Seijas ([CRD #2392901](#), Shrewsbury, New Jersey)

November 2, 2021 – An AWC was issued in which Seijas was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Seijas consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with its investigation concerning a Uniform Termination Notice for Securities Industry Registration (Form U5) amendment filed by his former member firm that disclosed for the first time that he had been named as a defendant in a lawsuit alleging that he had misrepresented investments as part of a Ponzi scheme. ([FINRA Case #2020066137801](#))

Patrick Charles Kincheloe ([CRD #5955889](#), Staunton, Virginia)

November 3, 2021 – An AWC was issued in which Kincheloe was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Kincheloe consented to the sanction and to the entry of findings that he refused to provide on-the-record testimony requested by FINRA. The findings stated that this matter originated from a Form U5 filed by Kincheloe's member firm terminating his registration after allegations that he involved an unregistered person in activities that required securities registration. Although Kincheloe initially cooperated with FINRA's investigation, he ceased doing so. ([FINRA Case #2019064729703](#))

Donna Jean Hines ([CRD #4275524](#), Clarksburg, West Virginia)

November 8, 2021 – An AWC was issued in which Hines was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Hines consented to the sanction and to the entry of findings that she refused to appear for on-the-record testimony requested by FINRA in connection with its investigation into whether she facilitated a customer's bitcoin investment away from her member firm for compensation. The findings stated that although Hines initially cooperated with FINRA's investigation, she ceased doing so. ([FINRA Case #2021070010301](#))

David John Melilli ([CRD #5254172](#), Mount Laurel, New Jersey)

November 8, 2021 – An AWC was issued in which Melilli was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Melilli consented to the sanction and to the entry of findings that he refused to produce documents and information requested by FINRA in connection with its investigation into, among other things, whether he exercised discretion without written authorization in a customer's account. ([FINRA Case #2019063681001](#))

Steven Dwayne Musielski ([CRD #2128821](#), Anaheim, California)

November 9, 2021 – An AWC was issued in which Musielski was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Musielski consented to the sanction and to the entry of findings that he refused to provide documents and information requested by FINRA in connection with an investigation into his sales practice activity. The findings stated that FINRA's request sought to investigate Musielski's potential exercise of discretion without written authorization, potential excessive trading and potentially unsuitable investments in leveraged and inverse-leveraged securities. ([FINRA Case #2021070896602](#))

Jorge A. Reyes ([CRD #4256834](#), Miami, Florida)

November 9, 2021 – A NAC decision became final in which Reyes was barred from association with any FINRA member in all capacities and ordered to pay \$4,009,000, plus prejudgment interest, in restitution to customers. The NAC affirmed the findings, in part, and modified the sanctions imposed by the OHO. The sanctions were based on the findings that Reyes violated Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 thereunder and FINRA Rule 2020. The findings stated that Reyes engaged in fraud by misrepresenting and omitting material facts when he recommended and sold promissory notes to customers, as well as when he used the marketing materials that he created to promote those offerings. Reyes falsely told customers that the promissory notes were safe investments like bonds and did not inform them that the promissory notes were in fact high-risk, illiquid investments that carried with them the risk of total loss. The marketing materials also falsely represented that any use of investor funds would be preceded by a comprehensive due diligence process, when in fact no such process existed or was performed. The findings also stated that Reyes made unsuitable recommendations to a customer, in violation of FINRA Rule 2111. Reyes was aware that the customer had a low tolerance for risk and that her investment objectives were to preserve her assets and generate income, but he nevertheless recommended that the customer invest more than half of her net worth in promissory notes from the private placement offerings. The findings also included that Reyes violated FINRA rule 2010 when he converted funds from a customer who intended to use the money to establish an incubator fund and to purchase a promissory note in a private placement offering. Reyes used none of these funds for their intended purpose, and instead used all the money as if it was his own. Reyes transferred the money to his personal checking account, provided money to a relative of his girlfriend and paid personal expenses, including those for rent, a car, credit cards, groceries, personal trips, dining, shopping and alimony. Finally, FINRA found that Reyes created and used marketing materials that did not comport, in several ways, with FINRA Rule 2210 and the standards that apply to the public communications of FINRA members and their associated persons. Reyes did not disclose in any of the marketing materials that he

created for the private placement offerings the risks inherent in an investment in the promissory notes. In addition, the materials Reyes used to market the promissory notes contained several false, exaggerated, unwarranted and misleading statements and falsely implied that several regulatory organizations endorsed the promissory notes he recommended and sold to customers. The NAC declined to find that Reyes violated reasonable-basis suitability requirements when he recommended that customers purchase promissory notes. ([FINRA Case #2016051493704](#))

Roderick Len Whited (CRD #2663822, Gainesville, Florida)

November 15, 2021 – An AWC was issued in which Whited was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Whited consented to the sanction and to the entry of findings that he converted \$44,170 in charitable donations from fundraising events hosted by his branch office at his member firm. The findings stated that rather than transmitting the funds to a pediatric cancer charity, as intended by the donors, Whited caused the donated funds to be deposited into his personal bank account and used the funds to pay for his own personal expenses. After the firm discovered that Whited took these donations, it directed him to make repayment. Subsequently, Whited repaid the charity \$35,150.19. ([FINRA Case #2020065505201](#))

James Earl Simpson (CRD #424828, Sylvania, Ohio)

November 19, 2021 – An AWC was issued in which Simpson was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Simpson consented to the sanction and to the entry of findings that he refused to provide information and documents requested by FINRA in connection with an investigation into whether he misappropriated client funds or made unsuitable recommendations. ([FINRA Case #2021072352301](#))

Caroline Mohan (CRD #2429577, West Palm Beach, Florida)

November 22, 2021 – An AWC was issued in which Mohan was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Mohan consented to the sanction and to the entry of findings that she refused to appear for on-the-record testimony requested by FINRA during its review of a Form U5 filing submitted by his member firm stating that he had voluntarily resigned while under internal review for potential involvement with undisclosed OBA and participation in private securities transactions. ([FINRA Case #2021070667501](#))

Murray Todd Petersen (CRD #1311730, Fair Oaks, California)

November 22, 2021 – An AWC was issued in which Petersen was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Petersen consented to the sanction and to the entry of findings that

he engaged in an unapproved OBA by selling jewelry for investment purposes and receiving commissions for the sales. The findings stated that Petersen's member firm initially approved the OBA but later withdrew its approval. Petersen, however, continued to participate in the OBA and received approximately \$115,900 in jewelry sales commissions. The findings also stated that Petersen participated in two undisclosed private securities transactions while associated with a different member firm. Petersen introduced two customers to an investment offered by the jewelry company and helped facilitate their investments. Each investor signed a contract for the investments that stated that the investment would be used to fund the manufacture of diamond jewelry for sale to retail stores in China and other Asian markets. The contract stated that the jewelry company would handle all jewelry sales to these markets and would make periodic payments to investors for one year and it entitled the investors to a percentage of the profits obtained by the company from the jewelry sales. However, the customers only received a portion of the total payments and did not receive any distribution of profits earned by the company on jewelry sales. The company also never returned any of the principal amount of the customers' initial investments. Petersen did not provide written notice to the firm and did not obtain written permission from the firm for his participation in these private securities transactions. Although these transactions were outside the scope of Petersen's employment with the firm, he inaccurately stated in annual compliance questionnaires that he had not engaged in any private securities transactions.

([FINRA Case #2019064432901](#))

Tyrone Maurice Smiles ([CRD #4370937](#), Laurel, Maryland)

November 23, 2021 – An AWC was issued in which Smiles was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Smiles consented to the sanction and to the entry of findings that he engaged in OBAs without prior written disclosure to, and approval from, his member firm. The findings stated that Smiles ran an overseas vacation property rental business. Smiles owned two properties that he rented out for short-term stays. Smiles was a dedicated retirement counselor at his firm, a role that involved meeting with retirement plan participants and educating customers about their corporate retirement plans. Smiles did not recommend or sell securities as part of his job. However, without disclosing to or receiving approval from his firm, Smiles referred customers to a representative, who was registered through an affiliated firm, in order to purchase variable annuity contracts. The representative sent Smiles checks totaling \$118,007.95 for referring the customers. The findings also stated that Smiles provided false and misleading information to FINRA in response to written requests and during on-the-record testimony. Smiles falsely maintained that each of the checks he received from the representative related to a vacation property timeshare rather than to customer referrals. ([FINRA Case #2020065022801](#))

Blair Edwards Olsen ([CRD #1545765](#), Carefree, Arizona)

November 26, 2021 – An OHO decision became final in which Olsen was barred from association with any FINRA member in all capacities. In light of the bar, no additional sanctions are imposed. The sanction was based on findings that Olsen willfully failed to make timely disclosures of criminal charges by amending his Uniform Application for Securities Industry Registration or Transfer (Form U4). The findings stated that Olsen was indicted on seven charges of felony aggravated assault but did not amend his Form U4 to disclose that he had been charged with a felony. Subsequently, Olsen's member firm learned of the arrest and filed an amended Form U4 on his behalf to disclose that he had been charged with a felony. However, Olsen represented falsely on the form that the indictment consisted of only a single count. Later, the firm again amended Olsen's Form U4 to reflect accurately that the indictment contained seven counts. In the meantime, Olsen was indicted a second time. This indictment charged him with a single count of felony aggravated harassment. Olsen appeared in court in connection with this indictment on multiple occasions but did not amend his Form U4 to disclose it. The findings also stated that Olsen failed to provide information and documents or provide on-the-record testimony requested by FINRA in connection with these indictments. In response to FINRA, Olsen initially provided a late partial response to its requested information about the indictments but failed to fully respond or provide requested testimony. ([FINRA Case #2018058798802](#))

Jesus Rodriguez ([CRD #4888685](#), El Paso, Texas)

November 29, 2021 – An AWC was issued in which Rodriguez was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Rodriguez consented to the sanction and to the entry of findings that he refused to provide information and documents requested by FINRA during the course of its investigation of a Form U5 filed by his member firm that disclosed that he had voluntarily resigned a month earlier following allegations regarding his use of client line of credit for his personal benefit. ([FINRA Case #2021072373401](#))

Individuals Suspended

Paul Eric Flesche ([CRD #3277904](#), Los Angeles, California)

November 2, 2021 – Flesche appealed a NAC decision to the SEC. Flesche was fined \$30,000, jointly and severally with his member firm, and suspended from association with any FINRA member in all capacities for 30 business days. The NAC affirmed the findings and sanctions imposed by the OHO. The sanctions were based on findings that Flesche failed to supervise a firm registered representative. The findings stated that Flesche and the firm's AMLCO approved the account opening documents and deposits for the representative's Asia-based customers. Flesche did not ask the representative about how he communicated with the customers, including whether

the customers understood the representative's written communications. While Flesche and the AMLCO knew the representative had translated portions of the firm's account opening documents for the customers, they took no steps to ensure the accuracy of these translations and asked no questions about whether the customers understood the portions of the documents the representative did not translate. The allegations that Flesche participated in the sale of restricted securities in contravention of Section 5 of the Exchange Act are dismissed.

The sanctions are not in effect pending review. ([FINRA Case #2016049565901](#))

Brian Stanley Pearce (CRD #1334784, Winter Haven, Florida)

November 2, 2021 – An AWC was issued in which Pearce was assessed a deferred fine of \$5,000, suspended from association with any FINRA member in all capacities for seven months and ordered to pay disgorgement in the amount of \$9,723, plus interest. Without admitting or denying the findings, Pearce consented to the sanctions and to the entry of findings that he participated in private securities transactions without prior disclosure to, and approval from his member firm. The findings stated that Pearce solicited investors to purchase \$607,730 in securities of a company that represented itself as a structured cash flow investment. Pearce received a total of \$24,309 in commissions in connection with his sales of the securities. Later, the company ceased business, owing nearly \$300 million in unpaid investor payments. In an indictment, the United States charged the company and its owner with conspiracy to engage in mail and wire fraud related to its operations. Subsequently, Pearce entered into a settlement agreement with a court-appointed receiver for the company, agreeing to repay approximately \$14,586 of the \$24,309 in commissions that he received from his sales of the company's securities.

The suspension is in effect from November 15, 2021, through June 14, 2022. ([FINRA Case #2020065314401](#))

Brian Jerome Rice (CRD #2103354, Fair Haven, New Jersey)

November 2, 2021 – An AWC was issued in which Rice was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for six weeks. Without admitting or denying the findings, Rice consented to the sanctions and to the entry of findings that without notifying or obtaining prior approval from his member firm, he borrowed \$52,500 from one of his customers through a company he partially owned and controlled. The findings stated that the customer was Rice's longtime friend and was financially sophisticated. However, the customer was not an institutional lender or involved in a lending-related business. The loan, which was documented by a promissory note, was secured by a commercial property and has been fully repaid. In addition, while the loan was pending, Rice incorrectly stated in response to firm compliance questionnaires that he had not borrowed money from a firm customer.

The suspension was in effect from November 15, 2021, through December 26, 2021. ([FINRA Case #2019064312902](#))

Okechukwu Linton (CRD #4971450, Brooklyn, New York)

November 4, 2021 – An AWC was issued in which Linton was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for five months. Without admitting or denying the findings, Linton consented to the sanctions and to the entry of findings that he willfully failed to disclose on his Form U4 that he had been charged with nine felonies. The findings stated that subsequent to learning of the charges, Linton completed the Form U4 for the purpose of registering with FINRA through an association with a member firm. In the U4 filing, Linton falsely responded to a question regarding whether he had ever been charged with any felony. As a result, Linton filed inaccurate and misleading information with FINRA.

The suspension is in effect from November 15, 2021, through April 14, 2022. ([FINRA Case #2021072013401](#))

Leonard Joseph Marzocco (CRD #3106494, Nesconset, New York)

November 5, 2021 – An AWC was issued in which Marzocco was assessed a deferred fine of \$5,000, suspended from association with any FINRA member in all capacities for three months and ordered to pay \$27,078, plus interest, in deferred restitution to a customer. Without admitting or denying the findings, Marzocco consented to the sanctions and to the entry of findings that he excessively and unsuitably traded a customer's account. The findings stated that Marzocco recommended options transactions to the customer, primarily involving call options with short-term expiration dates, and the customer relied on Marzocco's advice and accepted his recommendations. Marzocco's recommended trades caused the customer to pay \$27,078 in commissions and other trading costs in approximately six months, even though the account's average equity was only approximately \$40,000. Collectively, those trades resulted in the customer's account having an annualized cost-to-equity ratio of more than 112 percent, meaning the customer's investments would have had to grow by more than 112 percent annually just to break even.

The suspension is in effect from November 15, 2021, through February 14, 2022. ([FINRA Case #2019061956601](#))

Michael James May (CRD #4712287, Center Moriches, New York)

November 5, 2021 – An AWC was issued in which May was fined \$5,000, suspended from association with any FINRA member in all capacities for three months and ordered to pay \$10,349, plus interest, in restitution to a customer. Without admitting or denying the findings, May consented to the sanctions and to the entry of findings that he engaged in excessive and unsuitable trading, including the use of margin, in

a customer's account. The findings stated that May recommended that the customer place trades in his account, and the customer accepted his recommendations. Although the customer's account had an average month-end equity of approximately \$25,331, May recommended trades with a total principal value of more than \$265,044. Collectively, the trades that May recommended caused the customer to pay \$10,349 in commissions, trading costs and margin interest, which resulted in an annualized cost-to-equity ratio in excess of 40 percent, meaning the customer's account would have had to grow by more than 40 percent annually just to break even.

The suspension is in effect from December 6, 2021, through March 5, 2022. ([FINRA Case #2019063821603](#))

Antoine Nabih Souma (CRD #4210987, Glendale, California)

November 5, 2021 – An AWC was issued in which Souma was fined \$20,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Souma consented to the sanctions and to the entry of findings that he violated Municipal Securities Rulemaking Board (MSRB) Rule G-17 by providing incorrect and misleading account reports to a customer that, among other things, included incorrect account values and account performance information, omitted positions held in the customer's accounts, and, in one report, understated the amount of commissions that the customer paid for transactions. The findings stated that Souma provided documents to the customer that purported to be customized reports of information about the holdings in and performance of the accounts held by the customer's companies, including information about transactions and holdings in municipal securities. Certain of the reports contained incorrect account values and account performance information, and certain of the reports omitted positions held in the accounts and contained incorrect values for commissions paid for multiple transactions. The reports contained incorrect information about municipal securities, corporate bonds, structured products and other types of securities.

The suspension is in effect from December 6, 2021, through February 5, 2022. ([FINRA Case #2018057692701](#))

Sebastian Wyczawski (CRD #2835135, Manorville, New York)

November 5, 2021 – An AWC was issued in which Wyczawski was fined \$5,000, suspended from association with any FINRA member in all capacities for five months, ordered to pay \$21,644, plus interest, in restitution to customers and required to attend and satisfactorily complete 20 hours of continuing education concerning representatives' suitability obligations. Without admitting or denying the findings, Wyczawski consented to the sanctions and to the entry of findings that he engaged in excessive and unsuitable trading, including the use of margin, in customer

accounts. The findings stated that the trades that Wyczawski recommended in one customer's account caused the customer to pay \$10,397 in commissions, trading costs and margin interest, which resulted in an annualized cost-to-equity ratio in excess of 34 percent – meaning that the customer's account would have had to grow by more than 34 percent annually just to break even. Trades Wyczawski recommended in a second customer's account caused the customer to pay \$11,247 in commissions, trading costs and margin interest, which resulted in an annualized cost-to-equity ratio in excess of 65 percent – meaning that the customer's account would have had to grow by more than 65 percent annually just to break even.

The suspension is in effect from December 6, 2021, through May 5, 2022. ([FINRA Case #2019063821602](#))

Jose Luis Batalla ([CRD #4140971](#), San Diego, California)

November 8, 2021 – An AWC was issued in which Batalla was fined \$5,000 and suspended from association with any FINRA member in all capacities for 20 business days. Without admitting or denying the findings, Batalla consented to the sanctions and to the entry of findings that he failed to timely disclose an unsatisfied federal tax lien in the amount of \$188,016.01 via the filing of an amended Form U4. The findings stated that Batalla entered into a payment plan with the Internal Revenue Service (IRS), but to date, he has not satisfied the tax lien.

The suspension was in effect from December 6, 2021, through January 3, 2022. ([FINRA Case #2020067610801](#))

Andrew Timothy Durham ([CRD #6541868](#), Greenwood, South Carolina)

November 10, 2021 – An AWC was issued in which Durham was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Durham consented to the sanctions and to the entry of findings that he forged a customer's signature on a life insurance application submitted to his member firm's insurance affiliate. The findings stated that Durham completed and submitted the application for a life insurance policy issued by the firm's insurance affiliate, with a face value of \$50,000, for the customer. For premium payments, Durham input his personal bank account information, but falsely indicated the bank account belonged to the customer. Durham created a fake email address for the customer and forged the customer's electronic signature on the policy application, which was then approved by the insurance affiliate. Durham never possessed the customer's permission or authority to sign the policy application on the customer's behalf.

The suspension is in effect from November 15, 2021, through March 14, 2022. ([FINRA Case #2021069433001](#))

Garrett Manning ([CRD #6887127](#), Chicago, Illinois)

November 10, 2021 – An AWC was issued in which Manning was fined \$2,500 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Manning consented to the sanctions and to the entry of findings that he failed to obtain written consent from his member firm to maintain an outside securities account and failed to notify the outside firm where he held the account that he was associated with his firm. The findings stated that when Manning became associated with a new firm, he informed that firm that he maintained the account. Shortly thereafter, Manning's new firm directed him to close the account. Despite the direction, Manning maintained the account until his new firm asked for confirmation that the account had been closed. In addition, Manning opened a second outside securities account at another firm without obtaining his new firm's prior written consent. However, Manning did disclose his association with his new firm to the outside firm where he held the second account. Manning did not disclose the second account to his new firm until after FINRA inquired about his outside securities accounts. The findings also stated that Manning falsely attested on both his firms' annual compliance questionnaires that he maintained no outside securities accounts.

The suspension is in effect from December 6, 2021, through March 5, 2022. ([FINRA Case #2020068792101](#))

Kenny Mejia ([CRD #6361160](#), Pomona, California)

November 11, 2021 – An AWC was issued in which Mejia was suspended from association with any FINRA member in all capacities for seven months. In light of Mejia's financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Mejia consented to the sanction and to the entry of findings that he made reckless misrepresentations in a loan application he submitted to the Small Business Administration to obtain an Economic Injury Disaster Loan. The findings stated that in the loan application, Mejia recklessly misrepresented that: he was the owner of a gardening business that he operated as a sole proprietorship; he had founded the business in 2019; he operated the business out of his home, using his personal telephone number and email address; and the business had earned revenue and incurred costs in the 12 months prior to January 31, 2020. Mejia did not then own a gardening business or any other business eligible for an Economic Injury Disaster Loan from the Small Business Administration. Based on Mejia's misrepresentations, the Small Business Administration provided him with a \$1,000 Economic Injury Disaster Loan advance. Mejia did not complete a loan agreement for an Economic Injury Disaster Loan, and the Small Business Administration ultimately withdrew his loan application from consideration due to inactivity. As a result of this conduct, Mejia's member firm terminated his employment. Prior to his termination, when questioned by the firm's investigators, Mejia made additional

misrepresentations, including that he had filed the Economic Injury Disaster Loan application on the advice of his tax preparer. To date, Mejia has not repaid the \$1,000 to the Small Business Administration.

The suspension is in effect from November 15, 2021, through June 14, 2022. ([FINRA Case #2021070302901](#))

Craig Jay Sherman ([CRD #5670193](#), Fletcher, North Carolina)

November 12, 2021 – An AWC was issued in which Sherman was assessed a deferred fine of \$5,000, suspended from association with any FINRA member in any principal capacity for four months and required to attend and satisfactorily complete 40 hours of continuing education concerning supervisory responsibilities. Without admitting or denying the findings, Sherman consented to the sanctions and to the entry of findings that he failed to reasonably discharge supervisory responsibilities specifically assigned to him by his member firm's WSPs, including to reasonably investigate potential churning or excessive trading by two of the firm's registered representatives and to review representatives' emails. The findings stated that Sherman did not identify that the two representatives were excessively trading customer accounts, ultimately charging those customers more than \$300,000 in excess commissions and fees in less than six months. Moreover, Sherman failed to reasonably investigate red flags of excessive trading even when they were specifically presented to him. In failing to conduct any reviews of representatives' emails, Sherman failed to discover red flags that the two representatives were recommending securities transactions in the accounts despite not being registered in the customers' home states and that a third representative falsified the firm's books and records to reflect that he was the customers' registered representative of record when he was not the one making securities recommendations to the customers. Sherman also failed to investigate red flags that the two representatives were recommending securities transactions to customers located in states where they were not registered. Sherman knew that the two representatives had not been able to obtain registrations in many states after they joined the firm and that the third representative, who had virtually no experience as a registered representative and was recruited to the firm by one of the two representatives, became registered in many of those same states shortly after the two representatives were unable to do so. Nonetheless, Sherman did not take any steps to investigate these red flags, such as reviewing the representatives' emails or contacting the customers in question. A review of the representatives' emails would have revealed that the two representatives, and not the third, were communicating with the customers, sent them new account forms and asked the customers to deposit funds into their firm accounts. Had Sherman contacted the customers, he would have learned that the two representatives, and not the third, were making securities recommendations to the customers in question.

The suspension is in effect from November 15, 2021, through March 14, 2022.
[\(FINRA Case #2019060648801\)](#)

Albert Lewis DeGaetano (CRD #2458569, Broadview Heights, Ohio)
November 17, 2021 – An AWC was issued in which DeGaetano was assessed a deferred fine of \$7,500 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, DeGaetano consented to the sanctions and to the entry of findings that he executed securities transactions in customer accounts without first obtaining their authorization or consent. The findings stated that DeGaetano executed securities transactions without speaking to any customer representative after speaking with an employee of the customer who was not an authorized party on the customer's accounts. The securities transactions included purchases of exchange traded funds (ETFs) bonds, had a total principal value of approximately \$7.2 million and generated approximately \$113,000 in total trading costs. DeGaetano's member firm reimbursed the customer for the trading costs associated with his unauthorized trading. DeGaetano also executed unauthorized securities transactions with a total principal value of approximately \$30,721 in three other customer accounts. The findings also stated that DeGaetano made materially inaccurate statements concerning the identity of his firm and his job title. DeGaetano used the online interface of his firms' clearing firm to order business cards identifying DeGaetano as a senior vice president of the clearing firm. However, DeGaetano was never associated with or employed by the clearing firm and did not hold the title of senior vice president. Nevertheless, DeGaetano used these cards. In addition, DeGaetano inaccurately referred to the clearing firm as his employer in calls he made to his former member firm employer and another individual.

The suspension is in effect from December 6, 2021, through June 5, 2022. ([FINRA Case #2019061737101](#))

Stacy Leflore (CRD #5344142, Indianapolis, Indiana)
November 17, 2021 – An AWC was issued in which Leflore was suspended from association with any FINRA member in all capacities for six months. In light of Leflore's financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Leflore consented to the sanction and to the entry of findings that she made reckless misrepresentations in a loan application and loan agreement she submitted to the Small Business Administration to obtain an Economic Injury Disaster Loan. The findings stated that Leflore misrepresented that she was the owner of a personal shopping business that had earned revenue and incurred costs, however she did not have a disclosed OBA with her member firm and did not have a business eligible for the loan from the Small Business Administration. Leflore had established a personal shopping business years earlier that she intended to reinstitute as a business after the expected closure of the branch at

which she worked, but the business had never earned any money and was inactive at the time she applied. Based on Leflore's misrepresentations, the Small Business Administration approved the loan application and Leflore signed a loan agreement with it while affirming that the representations in her applications were correct. Subsequently, the Small Business Administration provided Leflore with a \$2,000 loan.

The suspension is in effect from December 6, 2021, through June 5, 2022. ([FINRA Case #2020068453501](#))

James E. Kelly ([CRD #2959343](#), Pikesville, Maryland)

November 22, 2021 – An AWC was issued in which Kelly was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for two weeks. Without admitting or denying the findings, Kelly consented to the sanctions and to the entry of findings that he engaged in a commission-sharing agreement with a registered representative of another firm without reflecting it on his member firm's books and records. The findings stated that Kelly received customer referrals from the other representative, who was registered through an affiliate of Kelly's firm. These customers purchased variable annuity contracts through Kelly and for referring the customers Kelly sent the other representative checks totaling \$118,007.95, representing about half of the commissions Kelly earned.

The suspension was in effect from December 6, 2021, through December 19, 2021. ([FINRA Case #2020065022802](#))

Minh Duc Vo ([CRD #5114922](#), Pearland, Texas)

November 22, 2021 – An AWC was issued in which Vo was assessed a deferred fine of \$7,500 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Vo consented to the sanctions and to the entry of findings that he engaged in an OBA by accepting an agent appointment with, and receiving compensation from, an outside insurance company without providing prior written notice to his member firm. The findings stated that Vo sold a fixed indexed annuity offered by the insurance company to a longtime firm customer even though the insurer was not a firm-approved carrier and received a commission from the insurance company for the sale. When his firm discovered Vo's sale of the fixed indexed annuity and began an internal review, he falsely stated that he did not sell the policy. Vo also made false statements regarding his participation in the OBA in his compliance questionnaire. The findings also stated that after learning that he would be terminated from the firm, Vo downloaded non-public customer information for every customer of his firm branch office into a spreadsheet and emailed it to his personal email account. The spreadsheet contained the names, account numbers and other non-public account details provided by customers to the firm, including individuals who were

not Vo's customers. Vo retained the information after his termination, in violation of the firm's policies and without the customers' knowledge or consent. As a result, Vo caused the firm to violate SEC Regulation S-P: Privacy of Consumer Financial Information.

The suspension is in effect from December 6, 2021, through April 5, 2022. ([FINRA Case #2019063101801](#))

William W. LeBoeuf ([CRD #2464080](#), Dayton, Ohio)

November 23, 2021 – An AWC was issued in which LeBoeuf was assessed a deferred fine of \$12,500 and suspended from association with any FINRA member in all capacities for 12 months. Without admitting or denying the findings, LeBoeuf consented to the sanctions and to the entry of findings that he participated in private securities transactions without providing prior written notice to, or receiving written approval from, his member firms. The findings stated that LeBoeuf used his personal email to solicit his firm client, a family member, to invest in a pooled real estate investment fund. In addition, LeBoeuf solicited investors, including firm clients, to invest in a convertible promissory note issued by a software company and sent emails introducing the investment and recommending investment amounts to his investors. LeBoeuf also formed a limited liability company (LLC) to facilitate investments in the software company and ensured the investors' funds were wired to the company. Firm clients invested a total of \$750,000 in the software company's convertible promissory notes. LeBoeuf did not receive selling compensation from any of the investments in the real estate fund or software company. In addition, LeBoeuf falsely attested on annual compliance questionnaires that he had not used a personal device to communicate with clients using software not available from the firm. The findings also stated that LeBoeuf engaged in an OBA without providing prior written notice to, or obtaining approval from, his firm before engaging in this activity. While associated with the firm, LeBoeuf filed articles of incorporation for an LLC with the Ohio Secretary of State. LeBoeuf was the authorized signor for the company's bank account and was identified in the company's operating agreement as the member, sole manager and partnership representative for tax purposes. The findings also included that, in the course of soliciting potential investors in the software company, LeBoeuf emailed a company presentation to investors, including several firm customers, that did not provide potential investors with the required sound basis to evaluate all of the relevant facts with respect to the potential investment. The presentation did not adequately address the illiquidity of the proposed investment or the possibility of investment loss. Further, the presentation failed to identify the assumptions, limitations, impediments and restrictions that could inhibit the achievement of a yearly revenue forecast.

The suspension is in effect from December 6, 2021, through December 5, 2022. ([FINRA Case #2019064823601](#))

Aaron Douglas Maurer ([CRD #3007121](#), Laguna Niguel, California)

November 24, 2021 – An AWC was issued in which Maurer was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for two years. Without admitting or denying the findings, Maurer consented to the sanctions and to the entry of findings that he engaged in unapproved private securities transactions by soliciting investors to purchase securities issued by a company of which he was a 25 percent owner and a board member. The findings stated that Maurer raised a total of \$1,100,000 through securities transactions in which he solicited and sold membership units, which were equity interests, in the company to investors, some of whom were customers of his member firm. Maurer had certified that he reviewed and understood his firm's WSPs that prohibited representatives from engaging in private securities transactions, whether or not there was compensation paid for effecting the transaction and required all of the firm's representatives to conduct their selling activities through it. Although Maurer disclosed his ownership interest in the company and role as a board member to the firm in an onboarding questionnaire related to his activities, he identified the company as a non-investment related OBA. Maurer did not provide written notice or receive approval from the firm for his participation in the transactions before beginning to solicit and sell investments in the company.

The suspension is in effect from December 6, 2021, through December 5, 2023. ([FINRA Case #2019061937301](#))

Robert Anthony Guidicipietro ([CRD #1588069](#), Staten Island, New York)

November 29, 2021 – An AWC was issued in which Guidicipietro was fined \$5,000, suspended from association with any FINRA member in all capacities for four months and ordered to pay \$35,219.74, plus interest, in restitution to customers. Without admitting or denying the findings, Guidicipietro consented to the sanctions and to the entry of findings that he excessively and unsuitably traded in an elderly customer's account. The findings stated that Guidicipietro recommended that the customer place trades – all on margin – in his account, and the customer accepted his recommendations. Collectively, the trades that Guidicipietro recommended caused the customer to pay \$35,219.74 in commissions and fees and resulted in a cost-to-equity ratio of more than 34 percent – meaning that the customer's investments had to grow by more than 34 percent just to break even. As a result of Guidicipietro's unsuitable recommendations, the customer realized a loss of approximately \$35,000.

The suspension is in effect from December 20, 2021, through April 19, 2022. ([FINRA Case #2020068312201](#))

Ian E. James ([CRD #2602300](#), The Woodlands, Texas)

November 30, 2021 – An AWC was issued in which James was fined \$10,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, James consented to the sanctions and to the entry of findings that he failed to timely amend his Form U4 to disclose a federal tax lien totaling \$59,997.08. The finding stated that James became aware that the IRS had filed the tax lien against him, and subsequently inaccurately stated on his member firm's annual compliance questionnaire that he had made all necessary amendments to his Form U4, even though he had not done so. James belatedly disclosed the lien on his Form U4 after FINRA inquired with the firm about it. The findings also stated that James engaged in an OBA without providing written notice to the firm. Through an entity he owned, James made a capital contribution to a medical marijuana company, in the form of a promissory note, in exchange for partial ownership interest in the company. James also formed and became the managing member of a new LLC to engage in operational activity for the medical marijuana company. James expected to serve as the medical marijuana company's chief financial officer, and he expected to obtain compensation in that capacity and in connection with his ownership interest in the company. However, James, through the entity he owned, subsequently filed a lawsuit that alleged, among other things, that the medical marijuana company and its founder breached agreements that James had executed, such that he could not obtain future profits he had anticipated. James received a monetary settlement in connection with his lawsuit.

The suspension is in effect from December 20, 2021, through February 19, 2022.
([FINRA Case #2019061329901](#))

Pasquale James Rappa ([CRD #5901386](#), Commack, New York)

November 30, 2021 – An AWC was issued in which Rappa was fined \$5,000, suspended from association with any FINRA member in any principal capacity for two months and ordered to attend and satisfactorily complete 20 hours of continuing education concerning supervisory responsibilities. Without admitting or denying the findings, Rappa consented to the sanctions and to the entry of findings that he failed to reasonably supervise a former registered representative at his member firm who, while under Rappa's heightened supervision, excessively and unsuitably traded in customer accounts, two of whom were senior investors. The findings stated that Rappa was aware of multiple red flags of excessive and unsuitable trading in those accounts, but he failed to reasonably investigate and take appropriate action to address those red flags. Had Rappa reasonably investigated the red flags, he would have learned that the representative excessively traded in customer accounts, resulting in annualized turnover rates and annualized cost-to-equity ratios that far exceeded the typical benchmarks for excessive trading.

The suspension is in effect from December 20, 2021, through February 19, 2022.
([FINRA Case #2020065035202](#))

Complaints Filed

FINRA issued the following complaints. Issuance of a disciplinary complaint represents FINRA's initiation of a formal proceeding in which findings as to the allegations in the complaint have not been made, and does not represent a decision as to any of the allegations contained in the complaint. Because these complaints are unadjudicated, you may wish to contact the respondents before drawing any conclusions regarding the allegations in the complaint.

Daniel Della Rosa ([CRD #2468171](#), Tampa, Florida)

November 23, 2021 – Della Rosa was named a respondent in a FINRA complaint alleging that he failed to provide information and documents and also failed to appear for on-the-record testimony requested by FINRA as part of an investigation relating to, among other things, his responsibilities at his member firm, his customer accounts and communications with customers. The complaint alleges that FINRA had requested that Della Rosa complete a questionnaire and return it. Della Rosa's failure to provide the requested information, documents, and testimony impeded FINRA's investigation into his conduct. ([FINRA Case #2020065714602](#))

Kajie McMullen ([CRD #7052045](#), Chicago, Illinois)

November 23, 2021 – McMullen was named a respondent in a FINRA complaint alleging that she failed to provide a complete response to FINRA's requests for information and documents during the course of its investigation into the circumstances of her termination from her member firm. The complaint alleges that the firm filed a Form U5 disclosing that it terminated its association with McMullen for applying for, and receiving, a Small Business Administration grant without a legitimate business purpose. FINRA requested that McMullen provide information and documents relating to the firm's Form U5 explanation of her termination, including the Small Business Association applications, bank records and tax records. Initially, McMullen stated that she did not have copies of some of the requested documents, including the applications she submitted to the Small Business Administration, however, after FINRA suggested how she could obtain them, she failed to comply with its request. Through counsel, McMullen subsequently provided a partial response to FINRA's requests, however the response was incomplete because she failed to provide any of the information and documents that FINRA sought. ([FINRA Case #2020068502202](#))

Igor Peter Kislitsa ([CRD #6324794](#), Folsom, California)

November 30, 2021 – Kislitsa was named a respondent in a FINRA complaint alleging that he failed to respond to FINRA's requests for information and documents during the course of its investigation into the circumstances surrounding his termination

from his member firm. The complaint alleges that the firm filed a Form U5 disclosing that it discharged Kislitsa because he admitted to completing securities applications without those customers being present and that a firm internal review revealed that he received the customers' personally identifiable information through email and completed the application based on the emailed information. ([FINRA Case #2020067014602](#))

Firm Cancelled for Failure to Pay FINRA Dues, Fees and Other Charges Pursuant to FINRA Rule 9553

Worden Capital Management LLC (CRD #148366)
New York, New York
(November 11, 2021)

Firm Suspended for Failure to Provide Information or Keep Information Current Pursuant to FINRA Rule 9552

(The date the suspension began is listed after the entry. If the suspension has been lifted, the date follows the suspension date.)

Wynston Hill Capital, LLC (CRD #103811)
Brandon, South Dakota
(November 26, 2021)
FINRA Case #2020068355401/2021069102901/2021069379001

Individuals Barred for Failure to Provide Information or Keep Information Current Pursuant to FINRA Rule 9552(h)

(If the bar has been vacated, the date follows the bar date.)

Arely J. Alvarez (CRD #6890579)
Mundelein, Illinois
(November 1, 2021)
FINRA Case #2021070214001

Bradley Morgan Holts (CRD 5819398)
Beaumont, Texas
(November 1, 2021)
FINRA Case #2021071760601

Jason Virgil Kai (CRD #4220601)
Scottsdale, Arizona
(November 29, 2021)
FINRA Case #2021071373101

Ahmad Azmi Khalil (CRD #6587312)
Ypsilanti, Michigan
(November 15, 2021)
FINRA Case #2021070733001

Nicholas John Kraiko (CRD #5726415)
Chicago, Illinois
(November 15, 2021)
FINRA Case #2021070834701

Reynold Wayne Neufeld (CRD #827427)
Indio, California
(November 29, 2021)
FINRA Case #2021071402401

Juanita Renae O'Neal (CRD #7071693)
Arlington, Texas
(November 22, 2021)
FINRA Case #2020069022501

Stacie Lynn Orr (CRD #4606070)
Simpsonville, South Carolina
(November 8, 2021)
FINRA Case #2021070309601

Ryan James Ott (CRD #6173815)
Westwood, New Jersey
(November 1, 2021)
FINRA Case #2020068564201

Andre Pierre Senegal (CRD #6065655)
Homewood, Illinois
(November 1, 2021)
FINRA Case #2020068787301

Kyle Andrew Stevens (CRD #5728895)
Fletcher, North Carolina
(November 2, 2021)
FINRA Case #2020067295401

**Timothy Charles Williams
(CRD #6341465)**
Tucson, Arizona
(November 15, 2021)
FINRA Case #2020067985001

Individuals Suspended for Failure to Provide Information or Keep Information Current Pursuant to FINRA Rule 9552(d)

(The date the suspension began is listed after the entry. If the suspension has been lifted, the date follows the suspension date.)

John Richard Boatright (CRD #2545676)
Loganville, Georgia
(November 8, 2021)
FINRA Case #2021071440501

Keri April Fazio (CRD #5901797)
Longmeadow, Massachusetts
(November 12, 2021)
FINRA Case #2021071543801

Austin Havird Fox (CRD #3053879)
Blythewood, South Carolina
(November 1, 2021)
FINRA Case #2021071300701

Melissa Kay Gilcrease (CRD #4402053)
Roswell, New Mexico
(November 15, 2021)
FINRA Case #2021069222001

Jan Earl Haynes (CRD #833875)
San Diego, California
(November 12, 2021)
FINRA Case #2021072408801

Bethany Joy Hewett (CRD #6534037)
Jacksonville, Florida
(November 12, 2021)
FINRA Case #2021071537201

Marcus Kovac Moon (CRD #6710986)
Miramar, Florida
(November 5, 2021)
FINRA Case #2021070787701

Lisa M. Robinson (CRD #4786703)
Bronx, New York
(November 1, 2021)
FINRA Case #2021070686201

Diane Marie Simmons (CRD #6085105)
Ovilla, Texas
(November 5, 2021 – November 19, 2021)
FINRA Case #2021071352201

Jordan David Whitacre (CRD #5828900)
Simpsonville, South Carolina
(November 22, 2021)
FINRA Case #2021072283401

Individuals Suspended for Failure to Comply with an Arbitration Award or Related Settlement or an Order of Restitution or Settlement Providing for Restitution Pursuant to FINRA Rule Series 9554

(The date the suspension began is listed after the entry. If the suspension has been lifted, the date follows the suspension date.)

**Michael Shannon Gardner
(CRD #2569490)**
London, United Kingdom
(November 18, 2021)
FINRA Arbitration Case #18-03877

**Ganesh Ramachandran Iyer
(CRD #1782997)**
Houston, Texas
(December 23, 2020 – November 29, 2021)
FINRA Arbitration Case #17-01985

Calvin Ray Kleinmann (CRD #2382117)
Olathe, Kansas
(November 29, 2021)
FINRA Arbitration Case #20-00118

Christopher Edward Pierce
(CRD #1471061)
Overland Park, Kansas
(August 9, 2013 – November 9, 2021)
FINRA Arbitration Case #12-02615

Jared Austin Poe (CRD #4884505)
Marina Del Rey, California
(May 1, 2012 – November 15, 2021)
FINRA Arbitration Case #10-05170

Yousuf Saljooki (CRD #5045123)
Melville, New York
(November 29, 2021)
FINRA Arbitration Case #20-03580

Dudley Franklin Stephens
(CRD #4119268)
Malverne, New York
(November 18, 2021)
FINRA Arbitration Case #20-01360

Bhaskar Chandrakant Vyas
(CRD #2253146)
San Clemente, California
(March 15, 2018 – November 17, 2021)
FINRA Arbitration Case #17-01381

PRESS RELEASE

FINRA Orders Aegis Capital Corp. to Pay \$1.7 Million in Restitution to Customers Whose Accounts Were Excessively and Unsuitably Traded; Two Supervisors Fined, Suspended for Failing to Respond to Red Flags; Representatives Sanctioned

Firm Also Fined \$1.1 Million for Supervisory Failures

FINRA announced that it sanctioned [Aegis Capital Corp.](#) approximately \$2.8 million, including \$1.7 million in restitution to 68 customers whose accounts were potentially excessively and unsuitably traded by the firm's representatives. FINRA also imposed a \$1.1 million fine for Aegis' supervisory violations.

FINRA's case originated from its examination of the firm and a review of a customer's arbitration complaint. FINRA found that from July 2014 to December 2018, Aegis failed to implement a supervisory system reasonably designed to comply with FINRA's suitability rule. As a result, Aegis failed to identify and address its representatives' potentially excessive and unsuitable trading in customer accounts, including trading by eight Aegis representatives who excessively traded 31 customers' accounts. The trading in these accounts generated average cost-to-equity ratios—that is, the amount the accounts must increase in value just to cover commissions and other trading expenses—of 71.6 percent, and caused the customers to incur more than \$2.9 million in trading costs.

Aegis, and designated supervisors Joseph Giordano and Roberto Birardi, failed to take reasonable steps to investigate numerous "red flags" indicative of potentially excessive and unsuitable trading by the firm's registered representatives. The firm failed to act on more than 900 exception reports from its clearing firm that identified potentially unsuitable trading, and more than 50 complaints from customers alleging excessive, unsuitable or unauthorized trading in their accounts. Giordano and Birardi, who were responsible for supervising six of the representatives, failed to respond to 700 of the 900 exception reports. Also, when Aegis' compliance personnel identified deficiencies with the firm's systems and procedures used to monitor for potentially excessive trading, Aegis did not promptly address the deficiencies or improve its supervision.

For their supervisory violations, Giordano agreed to a six-month supervisory suspension and \$10,000 fine, and Birardi agreed to a three-month supervisory suspension and \$5,000 fine. Giordano and Birardi must also complete 20 hours of continuing education. Additionally, FINRA has to date reached settlements with four Aegis representatives, barring two individuals for churning and excessive and unauthorized trading and suspending and fining two individuals for excessive trading.

"Recognizing and responding to red flags is the hallmark of proper supervision, and a critical component in preventing excessive and unsuitable trading in customer accounts," said Jessica Hopper, Executive Vice President and Head of FINRA's Department of Enforcement. "This matter demonstrates FINRA's commitment to holding accountable the firm, supervisors and individuals responsible, and providing restitution to harmed customers."

In settling this matter, [Aegis, Giordano and Birardi](#) accept and consent to the entry of FINRA's findings without admitting or denying them.